cases holding that the rules of adverse possession between strangers are radically modified by the existence of parental and filial relations between the parties can scarcely be supported. *O'Boyle* v. *McHugh*, 66 Minn. 390. A slight inference will naturally be raised by the relation, but a presumption shifting the burden of proof hardly seems necessary for the adequate protection of adult progeny.

BANKRUPTCY — PROVABLE CLAIMS — RIGHTS OF SECURED CREDITOR. — After the filing of the petition in bankruptcy a creditor of the bankrupt liquidated his security, which was not sufficient to satisfy his whole claim. *Held*, that he cannot apply the proceeds first to interest accruing since the filing of the petition, then to principal, and then prove for the balance. *Sexton* v. *Dreyfus* (U. S. Sup. Ct., Jan. 23, 1911).

This reverses the decision in the lower court, criticized in 23 HARV. L. REV. 219.

BILLS AND NOTES — CHECKS — MISAPPLICATION OF FUNDS OF CORPORATION BY OFFICER INDORSING ITS CHECKS. — A, the president of the plaintiff corporation, deposited in the defendant bank to the account of A & Son, a firm of which he was a member, checks payable to the plaintiff corporation, indorsed in blank in its name by "A, president," and then indorsed to the defendant in the name of A & Son. These transactions lasted four months, and included some ninety checks. The plaintiff sued to charge the bank with the amount of these checks, which the bank had allowed A & Son to draw out. *Held*, that the plaintiff can recover. *Niagara Woolen Co.* v. *Pacific Bank*, 141 N. Y. App. Div. 265.

From the form of these checks, it was apparent that the corporation's funds were being used by its president in his private capacity, and those facts were sufficient, especially in view of the large number of checks, to put the defendant upon inquiry as to A's authority. *Squire* v. *Ordemann*, 194 N. Y. 394. See *Capital City Brick Co.* v. *Jackson*, 2 Ga. App. 771. When property is accepted under circumstances which ought to start an inquiry, the holder is charged with notice of all facts which a reasonable inquiry would have disclosed. See *Rochester & Charlotte Turnpike Road Co.* v. *Paviour*, 164 N. Y. 281, 286. Thus it has been held that where a check, signed "X, Agent," is received in payment of a personal debt of X, or where stock in the name of "Y, trustee," is pledged to secure the pledgor's personal debt, the recipient is put upon inquiry by the form of the instruments and accepts them at his peril. *Gerard* v. *McCormick*, 130 N. Y. 261; *Shaw* v. *Spencer*, 100 Mass. 382. The principal case follows a recent New York case which applied the same principles of notice where a bank allowed a treasurer to deposit corporation funds to his individual account, and then check out against it. *Havana Central Railroad Co.* v. *Knickerbocker Trust Co.*, 135 N. Y. App. Div. 313 (reversed on another point in 198 N. Y. 422).

BONDS — INCOME BONDS — WHETHER INTEREST HAS BEEN EARNED. — A railway company that had issued mortgage bonds on which interest was to be paid only as earned, insisted that its earnings during the years in dispute were insufficient to pay the interest. *Held*, that the interest had been earned in spite of the subtlety of the company's bookkeeping. *Central of Georgia Ry. Co.* v. *Central Trust Co. of New York*, 69 S. E. 708 (Ga., Sup. Ct.).

It is always difficult to calculate the true earnings of a corporation, yet it must be done every time a dividend is declared. Ordinarily, however, a stockholder would not question a smaller dividend, for the undistributed earnings, as surplus, would increase the value of his stock. On the other hand income-bond holders would want every possible cent of the earnings paid to them as

interest on their bonds, for otherwise it would be lost to them forever. Their interests are, therefore, directly opposed to those of the directors and stockholders. In the inevitable conflicts that have ensued the courts have favored the bondholders. *Morse* v. *Bay State Gas Co.*, 91 Fed. 938; *Buel* v. *Baltimore, etc. Ry. Co.*, 24 N. Y. Misc. 646; *Schmidt* v. *Louisville, C. & L. Ry. Co.*, 27 Ky. L. Rep. 21. In the principal case the railroad was not permitted to conceal the earnings of a subsidiary company under the guise of a "loan" to itself. Income bonds are now falling into disuse, for they are vain attempts to make their holders both secured creditors of and participators in a single enterprise. They are unknown in England, for the English debenture bond is better adapted to the situation. See 24 HARV. L. REV. 389. In this country the new system of accounting under the Interstate Commerce Commission will probably lessen the number of these disputes, in the case of railroads. The principal case is discussed in its financial aspect in LOUGH, CORPORATION FINANCE, 383.

CEMETERIES — RIGHT OF OWNER OF FEE TO ENJOIN REPEATED TRESPASSES. — One of the avenues of the plaintiff's cemetery ran along the west side of the grounds, with a hedge fence on the west line of this avenue. The defendants, owners of an adjoining cemetery, proceeded to connect their driveways with this avenue by repeatedly destroying the hedge, and by scraping down the road to a level with their own driveways. The plaintiff sued for an injunction. *Held*, that the injunction be granted. *Mount Hope Cemetery Ass'n* v. *New Mount Hope Cemetery Ass'n*, 246 Ill. 416.

The defense was that the plaintiff by platting its lands for cemetery purposes had dedicated the avenues to a public use, so that the defendants had a right to connect their cemetery driveways with those of the plaintiff. It is well recognized that land may be dedicated for a cemetery. *Pierce* v. *Spafford*, 53 Vt. 394. Yet, whatever may be the qualified title or estate of a lot-owner in a lot, the dedicator still retains the fee of the rest of the land, subject only to the easement in the public for cemetery purposes. *Buffalo City Cemetery* v. *Buffalo*, 46 N. Y. 503. And he may maintain trespass for any encroachment on the land which is inconsistent with the proper use of the public easement. *Trustees of First Evangelical Church* v. *Walsh*, 57 Ill. 363. *Cf. Lade* v. *Shepherd*, 2 Str. 1004; *Pomeroy* v. *Mills*, 3 Vt. 279. The driveways are not highways, but a part of the cemetery. *Evergreen Cemetery Ass'n* v. *New Haven*, 43 Conn. 234. Hence an abutting owner can have no right of access. The use to which the abutting owner puts his land makes no difference in principle. Since in the principal case there was no dispute as to the plaintiff's title, the repeated trespasses gave good ground for an injunction. *Carpenter* v. *Gwynn*, 35 Barb. (N. Y.) 395.

CHOSES IN ACTION — GIFTS — DELIVERY OF CERTIFICATE OF STOCK. — The owner of stock in a corporation delivered to his daughter, with the intention of making a present gift, five unindorsed certificates of stock and five sealed instruments, purporting to convey the shares. Some of these deeds contained an express power of attorney to transfer the stock on the books of the corporation, and some did not. *Held*, that the daughter is entitled to all the stock, as against the donor's residuary legatees. *Talbot* v. *Talbot*, 78 Atl. 535 (R. I.). See NOTES, p. 481.

CONFLICT OF LAWS — PERSONAL JURISDICTION — STATUTE AUTHORIZING EXTRATERRITORIAL SERVICE ON RESIDENTS OF STATE. — The defendant, a resident of Iowa, was personally served in South Dakota in compliance with a statute of Iowa which authorized the rendering of a judgment *in personam* against a resident on such service. *Held*, that the statute is unconstitutional. *Raher* v. *Raher*, 129 N. W. 494 (Ia.). See NOTES, p. 486.